

April 21, 1967

**MEMORANDUM FOR:** Deputy Chief, Benefits & Services Division

**SUBJECT** : Changes in Association Benefit Plan Contract  
for 1968 Contract Period

1. In reply to your memo on this same subject, the following changes in benefits in the Association Benefit Plan are recommended after a discussion between [redacted] and myself. We are in agreement on each of these recommendations except item e.

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**a. Basic Benefits for In-Patient Hospital Expenses--**

Recommend that benefits be changed to provide for full payment of hospital charges for the first 90 days of confinement in a semi-private or ward accommodation. Major Medical benefits to apply beginning with the 91st day of each confinement. If private room is utilized, only the hospital's average semi-private rate will be a covered expense. Difference between semi-private and private room rate to be paid by employee regardless of reason for use of private room. Reason for recommendation: Such a benefit is more comparable with Blue's; is better than Aetna. In addition, would eliminate necessity of annual adjustment of room and board allowance and resulting reissue of revised ID cards. Would also simplify claims computation.

**b. Basic Benefits for In-Patient Non-Surgical Physician's Care--**Recommend payment of basic benefit of \$6.00 per visit by a physician while patient is confined in a hospital for non-surgical care, with a limitation on benefit of not more than one visit per day payable under basic benefits. Such charges not reimbursable under this proposed new basic benefit to be considered under major medical expense. This proposed benefit is similar to Blue's benefit for same type of expense. (Blue's allows \$18.00 for first day, \$12.00 for second day, and \$6.00 for each day thereafter.)

c. Benefits for Maternity Expenses--While there are strong arguments both pro and con on the subject of insurance coverage of maternity expenses, the most significant for our consideration is the awareness of our Agency's employees that our maternity benefits are less than those of the two Government-wide Plans. This is one of the main reasons why many overt employees choose one of the other plans in preference to ours or change from our plan during an open season. It is also a complaint which we receive from employees who are restricted to coverage by our Plan. Therefore, recommend that hospital expenses for maternity claims be paid the same as for illness or injury. No change is recommended in benefits for doctor's care of maternity cases. Such an approach is comparable to Blue's benefits and should to a large degree satisfy employees who place such a high value on maternity benefits.

d. Covered Charges of a Podiatrist--Recommend that covered surgery performed by a podiatrist be amended to include removal of plantar warts by chemosurgery, electrosurgery, or cryotherapy. The Foreign Service Benefit Plan which is underwritten by Mutual has recognized such procedure as covered surgery by a podiatrist for some time. It is common for podiatrists to use one of these methods in preference to cutting.

e. Coverage of Tubal Ligation and Treatment of Infertility--This expansion of coverage was suggested by [redacted] and I are not in favor of it. It is also doubtful if Mutual would be agreeable to such a change since they apparently do not wish to cover anything other than illness, accidental injury, or pregnancy. Yielding on particular conditions such as these, invite requests for coverage of other expenses such as eye examinations, certain dental conditions, etc.

f. Adjustment of Surgical Fee Schedule Allowances--A review of surgical allowances is being made at this time. Since the large part of our enrollment is within the Metropolitan Washington area, the Blue Shield surgical benefits folder for this area is being used as a guide for comparison. Specific recommendations for adjustment by procedure number will be submitted within one week.

[redacted]  
Acting Chief, Insurance Branch/BSD